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December 3, 2012

**BY ELECTRONIC DELIVERY**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street SW  
Washington DC 20554

Re: Permitted Oral *Ex Parte* Presentation  
WC Docket No. 10-90; GN Docket No. 09-51; WC Docket No. 07-135; WC Docket No.  
05-337; CC Docket No. 01-92; CC Docket No. 96-45 and WC Docket No. 03-10

Dear Ms. Dortch:

Representatives of the State of Hawaii ("Hawaii") met with Commission officials on November 29, 2012 to discuss the intercarrier compensation ("ICC") and universal service fund ("USF") proceedings, the docket numbers for which are listed above. In separate meetings, the State representatives met with Angela Kronenberg, Legal Advisor for Commissioner Mignon L. Clyburn; and Priscilla Delgado Argeris, Legal Advisor for Commissioner Jessica Rosenworcel. The State representatives also participated in a meeting with Amy Bender, Deputy Division Chief of the Wireline Competition Bureau and Ted Burmeister and Heidi Lankau, also of the Wireline Competition Bureau. Attending the meetings on behalf of the State were Keali'i Lopez, Director of the Department of Commerce & Consumer Affairs; Preston Thomas of Squire Sanders; and the undersigned.

During the meetings, the State representatives emphasized the unique challenges that exist in attempting to provide broadband in highly remote and insular areas of Hawaii. The State representatives also discussed some of the difficulties that exist in ascertaining which communities do not currently have access to broadband services and should have access to Remote Areas Funding ("RAF") to address this need. To this end, the Commission was urged to expedite its implementation of the RAF and to adopt measures to ensure that RAF funding will be available to remote and insular areas of the State.

37 Offices in 18 Countries

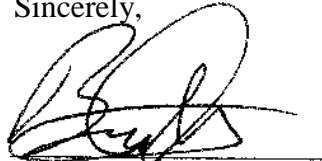
Squire Sanders (US) LLP is part of the international legal practice Squire Sanders which operates worldwide through a number of separate legal entities.

Please visit [squiresanders.com](http://squiresanders.com) for more information.

The attached presentation was distributed during the meetings and formed the basis of the discussion. Please contact the undersigned if you have any questions about this filing.

Sincerely,

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce A. Olcott", written over a horizontal line.

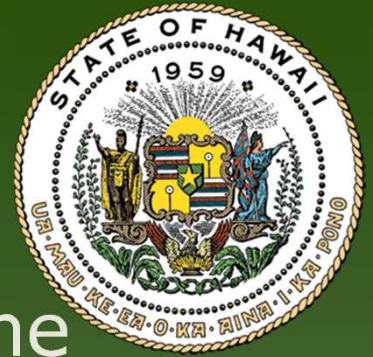
Bruce A. Olcott  
Counsel to the State of Hawaii

# State of Hawaii Department of Commerce and Consumer Affairs



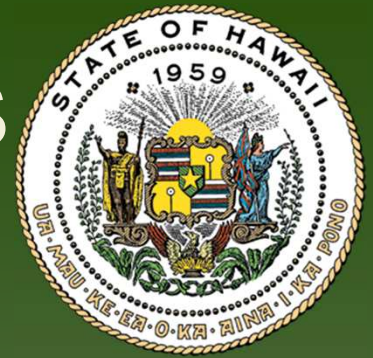
November 29, 2012

# Hawaii's Broadband Goals



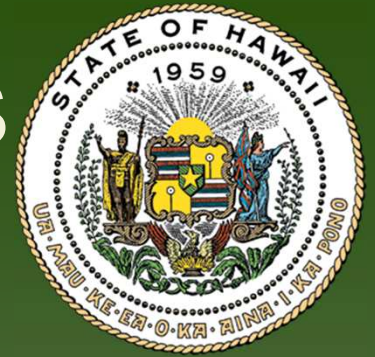
- ◆ Governor Abercrombie introduced the State Broadband Initiative in August 2011
  - Ubiquitous access to gigabit-per-second broadband at affordable prices without leaving behind underserved areas
  - Increasing broadband for economic development, health care, education, public safety, governmental efficiency and civic engagement
  - Greater trans-pacific fiber connectivity and equitable access for all Hawaiian islands
  - Modern regulatory and permitting to increase investment in broadband infrastructure and services
- ◆ Concurrently, ARRA grants are funding effort to bring gigabit-per-second broadband to all public schools and libraries in Hawaii

# Hawaii's Unique Conditions



- ◆ Hawaii faces significant challenges in making broadband widely available
  - The State is remote by every definition, comprising six major islands more than 2500 miles from the mainland
  - Islands are separated by up to 100 miles of deep ocean
  - Volcanic, mountainous terrain and “blue rock” lava landscapes increase cost for deployment of fixed facilities, landslides and salt corrosion increase maintenance costs, and low population densities reduce potential for returns

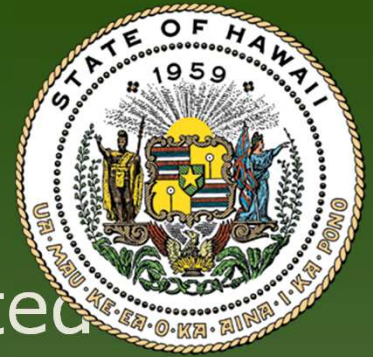
# Hawaii's Unique Conditions



- ◆ 30% of State's population live outside Oahu, with very low density on most islands
- ◆ The State Land Use Commission has classified Hawaii's land use as
  - Urban: 4.8%
  - Rural: 0.3%
  - Agricultural: 46.9%
  - Conservation: 48%



# Identifying Eligible Areas



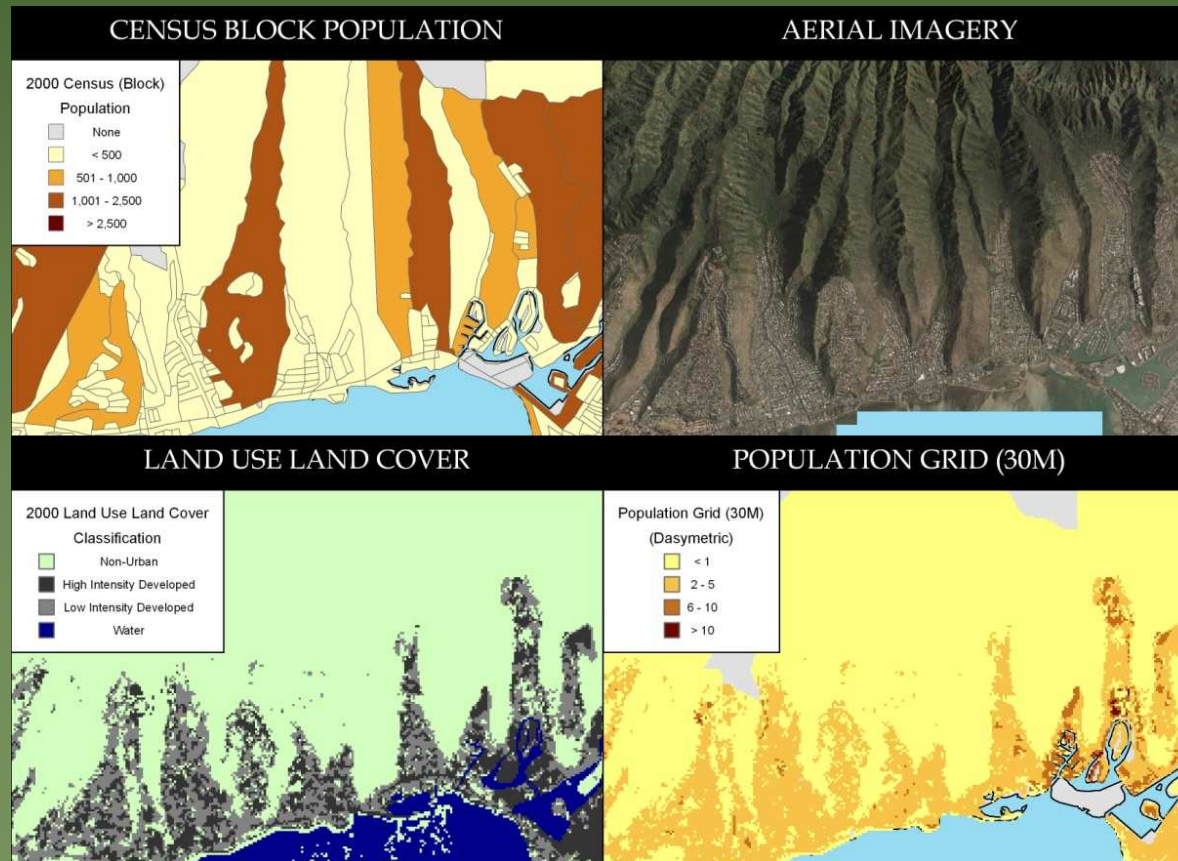
- ◆ NBM Shortcomings: Hawaii conducted Broadband Gap Analysis during 2011-2012 to better identify unserved areas
  - Census-block data is insufficiently granular
  - The majority of land area averages between 0 to 1 persons per 10,000 square feet



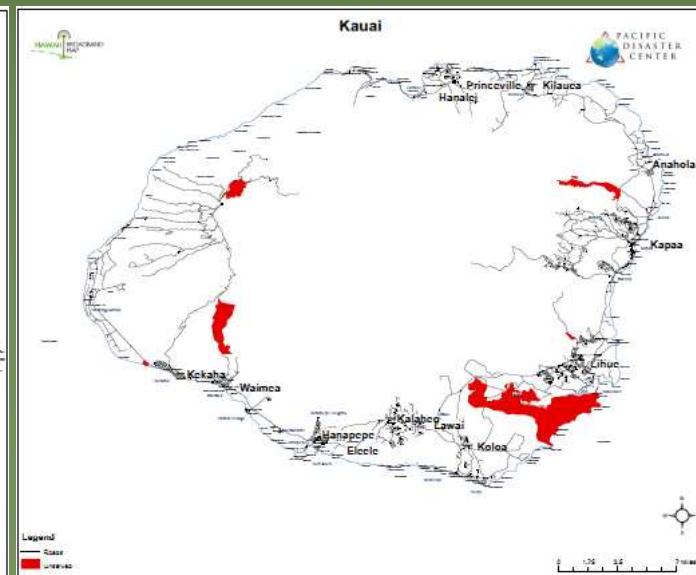
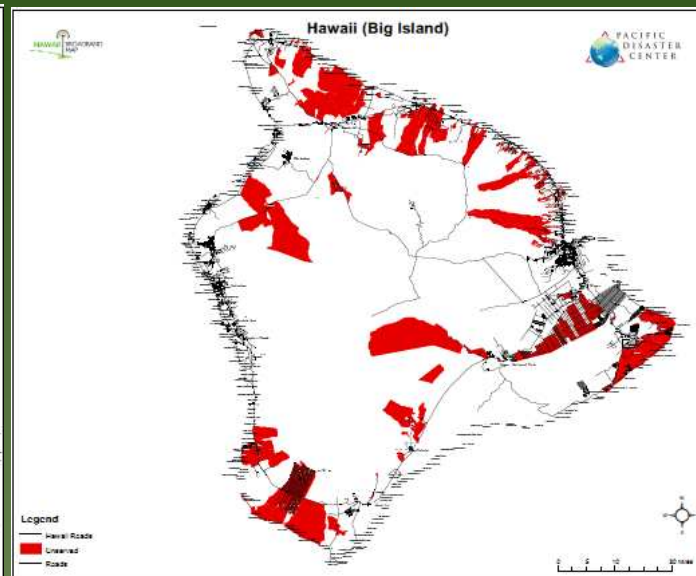
# Identifying Eligible Areas



- ◆ Many census blocks extend from the coastal highway deep into the mountains

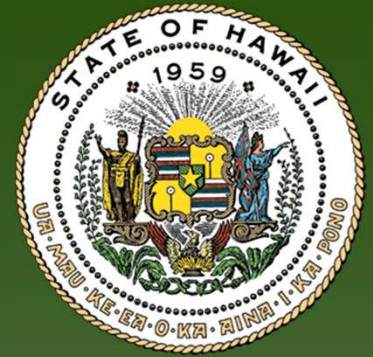






These maps are the product of in-progress studies. Final versions will be submitted to the Commission upon conclusion of the studies.

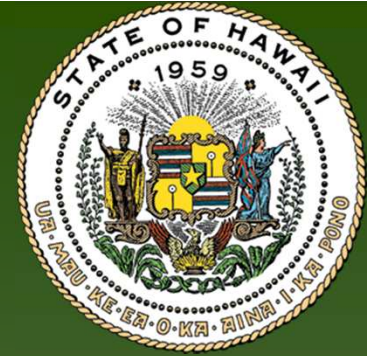
# Identifying Eligible Areas



## ◆ Definition of Broadband:

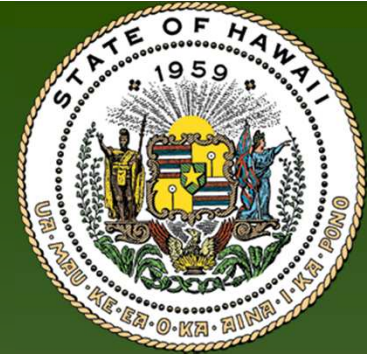
- NTIA rate of 768/200 kbps is too low to achieve the goals established by the Commission and the State
- Actual broadband usage requires speeds averaging the 4/1 Mbps definition adopted by the Commission
- Terrestrial mobile wireless is not ubiquitously available in rural areas of Hawaii and not always available at broadband speeds

# RAF Structure and Hawaii



- ◆ Portable consumer subsidy
  - Mobility Fund Phase I did not draw any bidders for Hawaii, Phase II may follow
- ◆ Recurring commitment
  - Topography and environment contribute to high cost of initial buildout and ongoing maintenance
- ◆ Allowance for dual carriers
  - Some technology may serve broadband adequately, but not voice, and vice versa

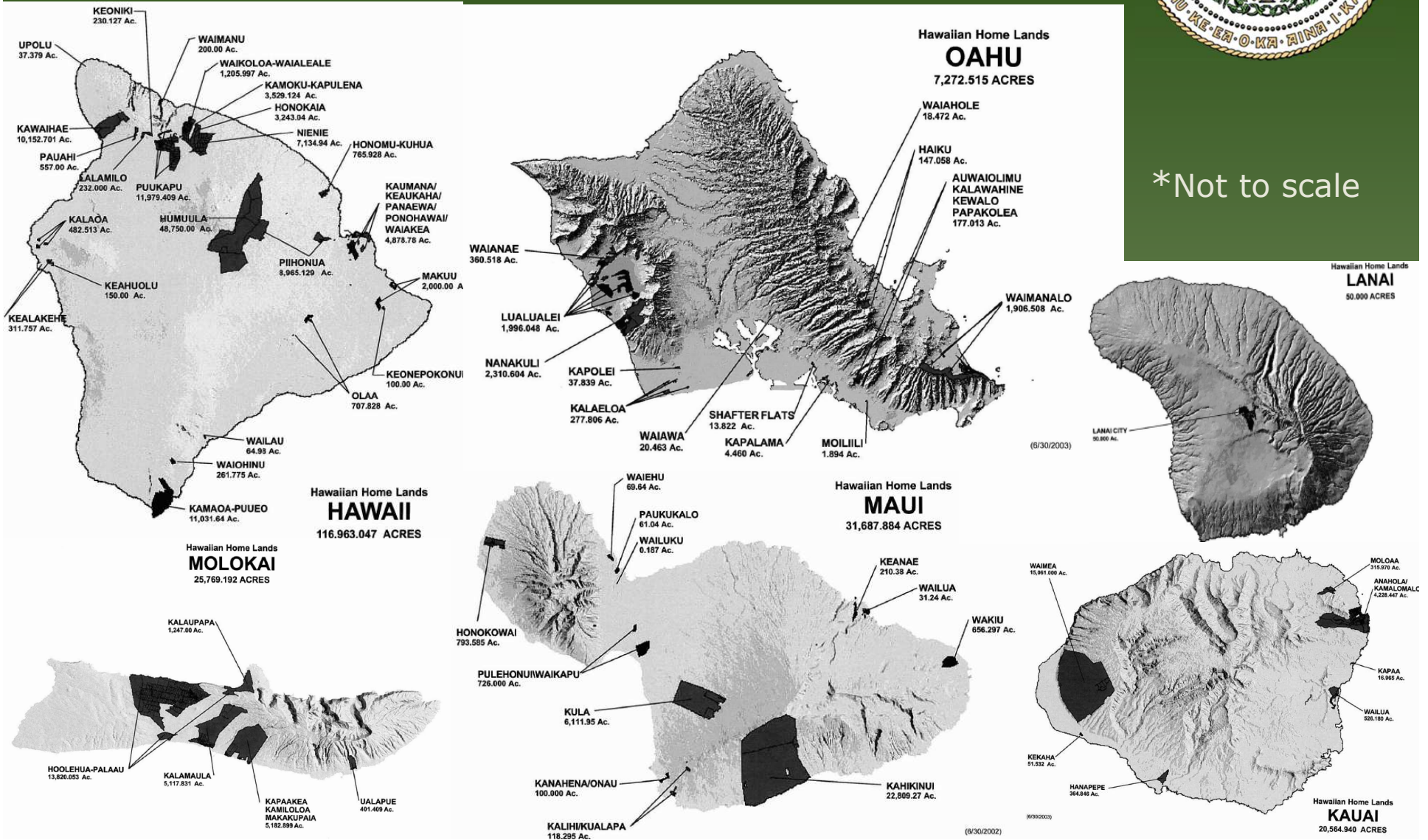
# Hawaiian Home Lands



- ◆ Tremendous need continues to exist in and around the HHLs for broadband development
  - Highly remote areas with low population density
  - Significant potential for benefits from broadband adoption

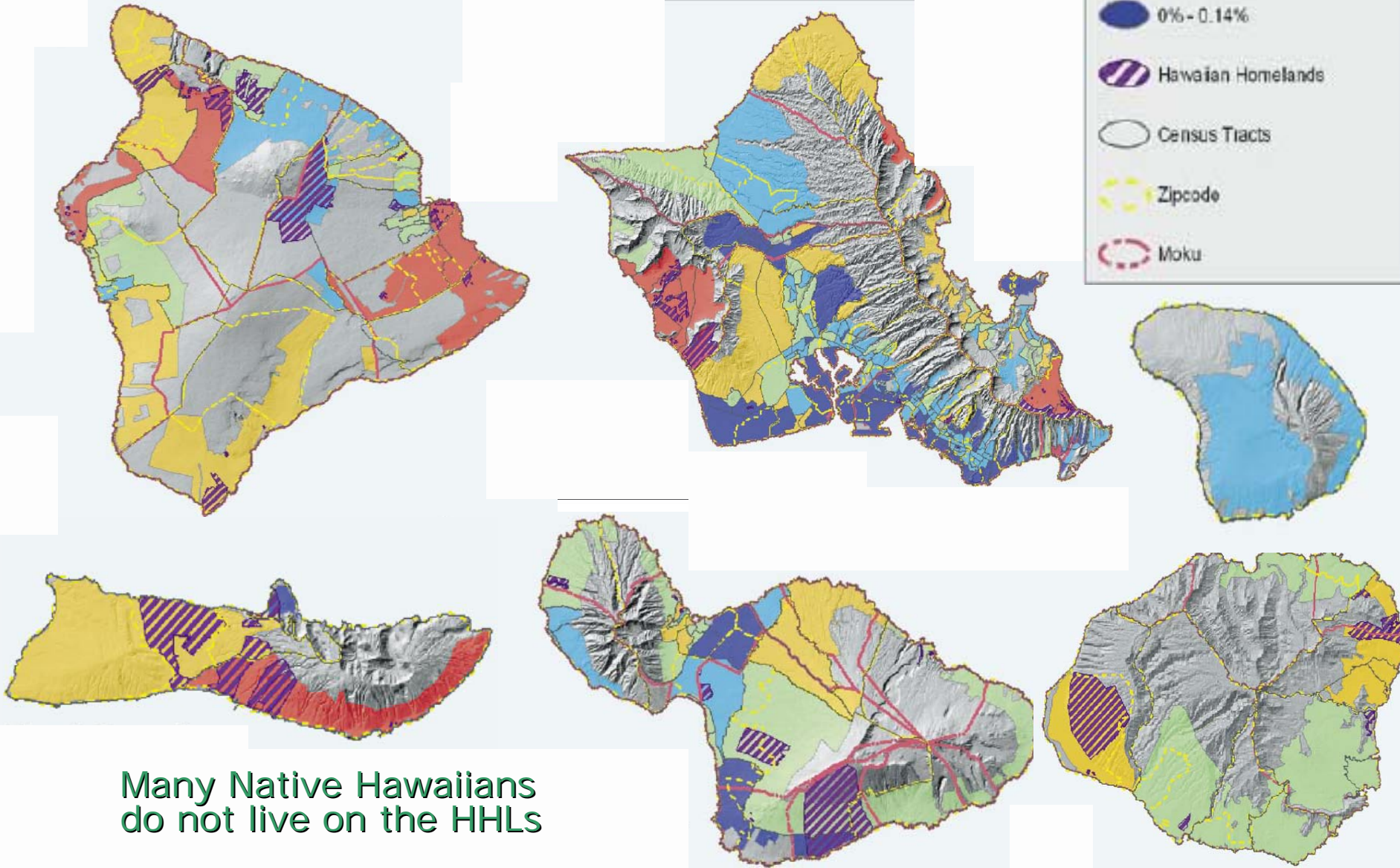


\*Not to scale





# Native Hawaiian Population



Many Native Hawaiians  
do not live on the HHLs

# USF Reform and Hawaii

- ◆ Hawaii remains a uniquely isolated and remote state, and a singularly challenging environment for broadband deployment
- ◆ Significant progress has been made, but achieving Commission and State goals of universal service will require reliable, recurring, and flexible high cost support
- ◆ Hawaii looks forward to participating in the development and implementation of the RAF